

## **Exhibit 28**

**PREPA, Proposed Annual Budget for Fiscal Year 2013-2014**



STATE OF CALIFORNIA  
                        )  
                        )  
                        )  
COUNTY OF SAN FRANCISCO )                      ss

**CERTIFICATION**

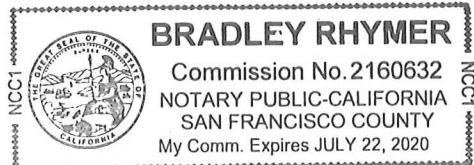
This is to certify that the attached translation is, to the best of my knowledge and belief, a true and accurate translation from Spanish into English of the attached document with Bates Nos. PREPA\_RSA0034752-PREPA\_RSA0034787.

Cory Merrill, Managing Editor  
Lionbridge

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California, County of San Francisco  
Subscribed and sworn to (or affirmed) before me  
on this 7<sup>th</sup> day of October, 2019,  
by Cory Merrill,  
proved to me on the basis of satisfactory evidence  
to be the person(s) who appeared before me.

Signature:



CN 078-04479  
REV. 01/13

COMMONWEALTH OF PUERTO RICO  
PUERTO RICO ELECTRIC POWER AUTHORITY  
GOVERNING BODY

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SAN JUAN, PUERTO RICO

[seal:]

PUERTO RICO ELECTRIC  
POWER AUTHORITY  
GOVERNING BODY –  
OFFICIAL SEAL

POST OFFICE BOX 364267  
GENERAL MAIL  
SAN JUAN, PR 00936-4267

RESOLUTION 4028

**WHEREAS:** Pursuant to Section 504 of the Trust Agreement of January 1, 1974, adopted by Resolution 1395, the Authority covenants that, on or before the 15<sup>th</sup> day of May of each year, the Governing Board will cause to be prepared and will adopt and file with the Secretary, with the Trustee, and with the Consulting Engineers a Proposed Budget of Current Expenses and of Capital Expenditures for the ensuing fiscal year; and

**WHEREAS:** In a special meeting of the Governing Board, held on May 14, 2013, the proposed budget was presented and discussed.

**BE IT RESOLVED** by the Puerto Rico Electric Power Authority:

That the Proposed Budget of Current Expenses and of Capital Expenditures for 2013-2014, filed with the Secretary this day and marked Exhibit 2960, is hereby adopted and public hearing be held pursuant to Section 504 of the Trust Agreement of January 1, 1974. The Secretary is directed to file a copy of the Consolidated Budget of Current Expenses and Capital Expenditures.

Approved in San Juan, Puerto Rico, the sixteenth day of May, 2013.

"We are an employer with equal opportunities at work and we do not discriminate on grounds of race, color, sex, age, social or national origin, social status, political affiliation, political or religious ideas; on the basis of being a victim or being perceived as a victim of domestic violence, sexual aggression or stalking; on the basis of physical or mental impediment or both, on the basis of status as a veteran or on the basis of genetic information."

EXHIBIT 2960

**Commonwealth of Puerto Rico  
Puerto Rico Electric Power Authority**

**PROPOSED ANNUAL BUDGET  
CURRENT EXPENSES AND  
CAPITAL EXPENDITURES**



**Fiscal Year 2013-2014**

**Commonwealth of Puerto Rico  
PUERTO RICO ELECTRIC POWER AUTHORITY**

**PROPOSED ANNUAL BUDGET FOR FISCAL YEAR 2013-2014**

**PER SECTION 504 OF THE TRUST AGREEMENT**

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Statement No. 1

**Commonwealth of Puerto Rico  
PUERTO RICO ELECTRIC POWER AUTHORITY**

**PROPOSED ANNUAL BUDGET - FISCAL YEAR 2013-2014**

**STATEMENT OF REVENUES AND EXPENSES FOR REVENUE FUND PURPOSES  
PER TRUST AGREEMENT - SUMMARY  
(Dollars in thousands)**

<i>Revenues:</i>	<i>Amount</i>
Sales of Electric Energy	4,463,032
Other income	<u>31,255</u>
Total revenues	4,494,287
Less: 1974 Construction fund investment income and gain on sale of properties	<u>76</u>
Revenues (As defined)	<u>4,494,211</u>
<i>Current Expenses:</i>	
Fuel	2,145,911
Purchased power	805,414
Salaries	527,798
Wages	15,840
Materials and Supplies	35,467
Transportation	25,383
Per Diem and Traveling Expenses	6,672
Mileage and Stand By Expenses	2,737
Division Expenses	31,684
Corporatives Expenses	<u>103,102</u>
Total current expenses	<u>3,700,008</u>
Net Revenues	<u>794,203</u>
<i>Debt Services:</i>	
1974 Sinking Fund Payment	
Interest account	562,768
Bond redemption account	0
Reserve	0
Self Insurance Fund	0
Interest on Notes	7,731
Capital Improvement Fund	22,677
Reserve Maintenance Fund	<u>0</u>
Total contractual obligations	<u>593,176</u>
Balance	201,027
Provision for contribution in lieu of taxes to municipalities	164,703
Other appropriations	<u>36,324</u>
Balance	<u>0</u>

Statement No. 2

**Commonwealth of Puerto Rico  
PUERTO RICO ELECTRIC POWER AUTHORITY**

**ANNUAL BUDGET OF CAPITAL EXPENDITURES  
FISCAL YEAR 2014  
(Dollars in thousands)**

<u>Budget Item No.</u>	<u>Budget Item Title</u>	<u>Amount</u>
<u><i>Production Plant</i></u>		
<u><i>Thermal Production Plant</i></u>		
150	<i>Fuel Management and Storage</i>	3,050
160	<i>Improvements to Steam Boilers</i>	23,150
165	<i>Improvements to Steam Turbine Generator</i>	11,400
170	<i>Improvements to Steam Balance of Plant</i>	14,150
173	<i>Pollutant Removal and Treatment</i>	1,500
175	<i>Pollution Control Projects</i>	11,100
	<i>Total Thermal Production Plant</i>	<u>64,350</u>
<u><i>Hydraulic Production Plant</i></u>		
180	<i>Hidroelectric Plant Improvements</i>	3,200
<u><i>Other Production</i></u>		
185	<i>Improvement Combustion Turbines Simple Cycle</i>	2,500
187	<i>Improvement to Balance Turbine Simple Cycle</i>	2,700
190	<i>Improvements to Steam Turbine Generator Combined Cycle</i>	5,000
195	<i>Improvement to Other Balance of Plants Combined Cycle</i>	2,100
196	<i>Improvement to GasTurbines Combined Cycle</i>	12,225
199	<i>Other Improvement to Generation Plants</i>	4,300
	<i>Total Other Production</i>	<u>28,825</u>
<i>TOTAL PRODUCTION PLANT</i>		<u>96,375</u>

Statement No. 2

**Commonwealth of Puerto Rico  
PUERTO RICO ELECTRIC POWER AUTHORITY**

**ANNUAL BUDGET OF CAPITAL EXPENDITURES  
FISCAL YEAR 2014  
(Dollars in thousands)**

<u>Budget Item No.</u>	<u>Budget Item Title</u>	<u>Amount</u>
<u><i>Transmission Plant</i></u>		
205	230 kV New Line	8,100
210	38 kV New Line	1,525
215	38 kV Underground System	130
230	115/38 kV New Transmission Center & Increase Capacity	9,000
237	115 kV Switchyard New & Expansions	2,700
242	38 kV Switchyard New & Expansions	4,365
255	Energy Management System	370
267	115 kV Line Rehabilitation	17,450
275	38 kV Line Rehabilitation	15,132
280	Transmission Pole Replacements	1,000
285	Breakers Uprating	500
288	Grounding Mat Reconstruction	225
290	Transmission Misc. Improv. Plant - Engineering	400
292	Transmission Misc. Improv. Plant - Electric System	4,500
294	Other Transmission Plant	950
<u>TOTAL TRANSMISSION PLANT</u>		<u>66,347</u>

Statement No. 2

**Commonwealth of Puerto Rico  
PUERTO RICO ELECTRIC POWER AUTHORITY**

**ANNUAL BUDGET OF CAPITAL EXPENDITURES  
FISCAL YEAR 2014  
(Dollars in thousands)**

<u>Budget Item No.</u>	<u>Budget Item Titles</u>	<u>Amount</u>
<u><i>Distribution Plant</i></u>		
300	<i>New Distribution Substations</i>	5,750
315	<i>Construction and Extension of 13.2 kV Aerial Feeders</i>	7,235
316	<i>Construction and Extension of 4.16 kV - 8.32 kV Aerial Feeders</i>	1,275
330	<i>Line Extension to Serve New Customers</i>	1,950
335	<i>Construction and Extension of 13.2 kV Underground Feeders</i>	1,090
337	<i>Construction and Extension of 4.16 kV - 8.32 kV Underground</i>	600
340	<i>New Services Drops Installation - Commercial</i>	912
360	<i>Rehabilitation of Substations</i>	4,750
363	<i>Miscellaneous Substations Improvements</i>	500
368	<i>Replacement of Residential and Commercial Services</i>	456
370	<i>Improvements to 4.16 kV - 8.32 kV Aerial Distribution System</i>	26,633
374	<i>Improvements to the 13.2 kV Aerial Distribution System</i>	4,115
378	<i>Improvements to the 13.2 kV Underground System</i>	7,550
379	<i>Improvements to the 4.16 KV - 8.32 KV Underground System</i>	9,407
382	<i>Street Lighting</i>	6,500
383	<i>Special Transformers</i>	1,215
385	<i>Purchase of Meters and Metering Equipment</i>	12,286
390	<i>Purchase and Installation of Breakers and Sectionalizers</i>	1,475
392	<i>Purchase Step - Voltage Regulators</i>	275
395	<i>Distribution Lines Capacitors</i>	325
397	<i>Distribution Line Voltage Converter</i>	635
398	<i>Distribution System Automation</i>	500
399	<i>Other Distribution Projects</i>	4,450
<u>TOTAL DISTRIBUTION PLANT</u>		<u>99,884</u>

Statement No. 2

**Commonwealth of Puerto Rico  
PUERTO RICO ELECTRIC POWER AUTHORITY**

**ANNUAL BUDGET OF CAPITAL EXPENDITURES  
FISCAL YEAR 2014  
(Dollars in thousands)**

<u>Budget Item No.</u>	<u>Budget Item Titles</u>	<u>Amount</u>
<u>General Land and Building</u>		
400	<i>Land &amp; Right of Way</i>	3,000
462	<i>Minor Improvements Technical Offices</i>	600
468	<i>Improvement to Warehouses</i>	350
470	<i>Improvement to Workshops</i>	300
472	<i>Improvement to Other Buildings</i>	625
476	<i>Improvement Land &amp; Buildings - Electric System</i>	500
478	<i>Improvement Land &amp; Buildings - Administrative Service</i>	1,310
480	<i>Improvement to Commercial Offices - Client Service</i>	532
	<u>TOTAL GENERAL LAND AND BUILDINGS</u>	<u>7,217</u>
<u>OFFICE FURNITURE AND EQUIPMENT</u>		
	<u>Office Equipment</u>	
509	<i>Office Equipment - Finance</i>	15
510	<i>Office Equipment - Administrative Services</i>	15
513	<i>Office Equipment - Client Service</i>	304
514	<i>Office Equipment - Transmission and Distribution</i>	285
	<u>TOTAL OFFICE EQUIPMENT</u>	<u>619</u>

Statement No. 2

**Commonwealth of Puerto Rico  
PUERTO RICO ELECTRIC POWER AUTHORITY**

**ANNUAL BUDGET OF CAPITAL EXPENDITURES  
FISCAL YEAR 2014  
(Dollars in thousands)**

<u>Budget Item No.</u>	<u>Budget Item Title</u>	<u>Amount</u>
<u><i>Computer Equipment</i></u>		
520	Computer Equipment - Executive Offices	25
521	Computer Equipment - Systems	2,800
522	Computer Equipment - Legal	25
523	Computer Equipment - Planning and Environmental	450
525	Computer Equipment - Finance	625
526	Computer Equipment - Administrative Services	15
527	Computer Equipment - Human Resources	250
528	Computer Equipment - Electric System	250
529	Computer Equipment - Client Service	281
530	Computer Equipment - Transmission and Distribution	250
<u>TOTAL COMPUTER EQUIPMENT</u>		<u>4,971</u>
<u><i>Transportation Equipment</i></u>		
540	Equipment - Air Transportation	500
545	Equipment - Acquisition and Replacement of Land Transp.	7,800
	<u>TOTAL TRANSPORTATION EQUIPMENT</u>	<u>8,300</u>

Statement No. 2

**Commonwealth of Puerto Rico  
PUERTO RICO ELECTRIC POWER AUTHORITY**

**ANNUAL BUDGET OF CAPITAL EXPENDITURES  
FISCAL YEAR 2014  
(Dollars in thousands)**

<u>Budget Item No.</u>	<u>Budget Item Title</u>	<u>Amount</u>
<u><i>Other Equipment</i></u>		
550	<i>Equipment Communication - Electric System</i>	800
551	<i>Equipment Communication - Client Service</i>	38
553	<i>Equipment Communication - Transmission and Distribution</i>	75
555	<i>Equipment - Telephone and Data Lines</i>	3,250
560	<i>Other Equipment Planning and Environmental Protection</i>	893
562	<i>Other Equipment - Engineering</i>	4,000
564	<i>Other Equipment - Administrative Services</i>	380
565	<i>Equipment Workshop Land Transportation</i>	175
566	<i>Other Equipment - Human Resources</i>	10
568	<i>Other Equipment - Electric System</i>	1,150
570	<i>Other Equipment - Client Service</i>	391
572	<i>Other Equipment - Transmission and Distribution</i>	1,000
575	<i>Other Equipment - Finance</i>	500
	<i>Total Other Equipment</i>	<u>12,662</u>
	<b>TOTAL EQUIPMENT</b>	<u>26,552</u>
<i>Preliminary Surveys and Investigation</i>		
600	<i>Preliminary Studies - Engineering</i>	1,975
605	<i>Preliminary Studies - Special Project</i>	50
610	<i>Preliminary Studies - Planning and Environmental Protection</i>	1,200
	<i>Renewable Energy - Planning and Research</i>	400
	<i>Preliminary Surveys and Investigation</i>	<u>3,625</u>
	<b>TOTAL CAPITAL EXPENDITURES BUDGET</b>	<u>300,000</u>

Statement No. 3

**Commonwealth of Puerto Rico  
PUERTO RICO ELECTRIC POWER AUTHORITY**

**APPROVED ANNUAL BUDGET OF CAPITAL EXPENDITURES**

**FISCAL YEAR 2012-13  
FINANCING REQUIREMENTS**

*(Dollars in thousands)*

<u>Capital Expenditures Budget</u>	<u>Amount</u>
Production Plant	96,375
Transmission Facilities	66,347
Distribution Facilities	99,884
Others	<u>37,394</u>
<b>TOTAL</b>	<b><u>300,000</u></b>

Sources of Construction Funds

*Financing*

<i>Internally Generated Funds</i>	22,677
<i>Borrowed Funds:</i>	
<i>Interim</i>	250,000
<i>Permanent - Regular</i>	0
<i>Capitalized Interest</i>	0
<i>Earned Interest</i>	0
<i>Amounts provided from (or used for) unexpended financing and other funds</i>	<u>27,323</u>
<b>TOTAL</b>	<b><u>300,000</u></b>

Statement No. 4

**Commonwealth of Puerto Rico  
PUERTO RICO ELECTRIC POWER AUTHORITY**

**DETAIL OF FUNDS TO BE PROVIDED BY THE  
GOVERNMENT DEVELOPMENT BANK**

**FISCAL YEAR 2013-2014**  
*(Dollars in thousands)*

<u>MONTH\YEAR</u>	<u>AMOUNT</u>	<u>MONTH\YEAR</u>	<u>AMOUNT</u>
JULY 2013	-	JANUARY 2014	50,000
AUGUST 2013	-	FEBRUARY 2014	-
SEPTEMBER 2013	50,000	MARCH 2014	50,000
OCTOBER 2013	-	APRIL 2014	-
NOVEMBER 2013	50,000	MAY 2014	50,000
DECEMBER 2013	-	JUNE 2014	-

# **PROPOSED BUDGET**

## **FISCAL YEAR 2013-14**

*ELECTRIC POWER AUTHORITY*

## STATISTICS

	Actual 2011-12	Projection 2012-2013	Proposed Budget 2013-2014
Average Cost per Barrel	\$118.39	\$107.04	\$94.96
Barrels Used (Thousands)	24,511	23,852	22,597
Internal Generation (MWH)	15,558	15,052	14,590
Energy Purchased (GWHR)	6,634	7,083	7,708
Sales (MWH)	18,112	17,966	18,199
Cents per KWH	27.78	26.20	24.52
Sales Revenues (Thousands)	5,031,429	4,707,535	4,463,032

## STATEMENT OF REVENUE AND EXPENDITURE

(In Thousands \$)

	Actual 2011-2012	Projection 2012-2013	Proposed 2013-2014
Revenues	<b>5,052,678</b>	<b>4,722,713</b>	<b>4,494,211</b>
Current Expenses:			
Fuel	2,901,815	2,553,178	2,145,911
Energy Purchased	684,148	686,402	805,414
Operation and Maintenance	829,301	763,799	748,683
Total Current Expenses	<b>4,415,264</b>	<b>4,003,379</b>	<b>3,700,008</b>
Net Revenues As Defined	<b>637,414</b>	<b>719,334</b>	<b>794,203</b>

## OPERATION AND MAINTENANCE EXPENSES

(In Thousands \$)

	Actual 2011-2012	Projection 2012-2013	Proposed Budget 2013-2014
Salaries	<b>571,467</b>	<b>537,036</b>	<b>527,798</b>
Wages	6,590	16,831	15,840
Materials	38,885	42,753	35,467
Transportation	23,821	24,356	25,383
Per Diem and Traveling Expenses	8,175	8,666	6,672
Mileage	3,137	3,047	2,737
Division Expenses	37,614	37,440	31,684
Sub-Total	<b>689,689</b>	<b>670,129</b>	<b>645,581</b>
Corporate Expenses	<b>139,612</b>	<b>93,670</b>	<b>103,102</b>
Total	<b>829,301</b>	<b>763,799</b>	<b>748,683</b>

# SALARIES AND WAGES

(In Thousands \$)

Description	Actual	Projection	Proposed
	2011-12	2012-2013	2013-2014
Basic Salaries – Regular	302,921	276,035	288,713
Basic Salaries – Casual	3,982	9,609	9,380
Overtime	44,687	47,820	26,631
Compensatory Time	10,417	18,419	6,620
Marginal Benefits:			
• Retirement System	73,227	73,639	87,312
• Medical Plan	59,884	60,042	55,684
• Social Insurance	27,694	26,919	25,255
• State Insurance Fund	13,250	12,808	10,728
• Others	41,995	28,576	33,315
Total	\$578,057	\$553,867	\$543,638

# CORPORATE EXPENSES

(In Thousands \$)

	<i>Type of Expense</i>	<i>Actual</i>	<i>Projection</i>	<i>Proposed</i>
		2011-12	2012-2013	2013-2014
620	Insurance	24,808	26,867	21,609
616	Medical Plan – Retired Persons	20,478	20,164	19,890
627	Security	20,250	18,860	18,010
631	Water and Electricity	9,387	10,340	10,819
645	Banking Services	10,471	5,524	10,500
644	Maintenance and Corporate Services	8,681	7,065	9,746
630	Environmental Regulations and Inspections	5,320	6,950	7,731
671	Awards	14,741	2,134	6,401
632	Income	5,698	6,423	5,812
621	Claims	8,045	4,428	5,000
	Others	41,177	12,968	13,439
	Sub-Total	169,056	121,723	128,957
636-637-638	Admin. Expenses and Overheads	(29,496)	(25,571)	(25,855)
	Miscellaneous Deductions	52	(2,482)	0
	<i>Total</i>	<b>139,612</b>	<b>93,670</b>	<b>103,102</b>

## BREAKDOWN OF DIVISION EXPENSES

(In Thousands \$)

Description of Expenses	2013-14
Data and Professional Services	688
Postal and Communications Tariffs	5,141
Land and Buildings Maintenance	2,322
Other Equipment Maintenance	5,143
Service Orders	2,613
"Blankets" Service	1,592
Professional and Technical Services	4,299
Equipment and Data Maintenance	1,479
Generation Unit Maintenance	4,871
Technical Equipment Rental	1,735
Others	1,801
Total	31,684

## EXPENSES BY DIRECTORATE

(In Thousands \$)

	Actual 2011-2012	Projection 2012-2013	Proposed Budget 2013-2014
Governing Body	630	596	511
Executive	51,563	60,192	49,206
Legal Affairs	6,807	12,464	8,457
Planning and Protection	11,400	18,025	11,909
Finance	13,147	18,935	13,858
Human Resources and Labor Affairs	20,133	21,844	20,406
Generation	199,209	204,291	194,825
Customer Service	120,834	127,181	129,651
Transmission and Distribution	226,975	232,173	230,588
Sub-Total	650,698	695,701	659,411
Corporate Responsibilities	178,603	68,098	103,102
Others		0	(13,830)
Total	829,301	763,799	748,683

## GENERATION

(In Thousands \$)

	Actual 2011-2012	Projection 2012-2013	Proposed Budget 2013-2014
Salaries	<b>144,899</b>	<b>148,241</b>	<b>147,316</b>
Wages	<b>2,515</b>	<b>2,391</b>	<b>2,120</b>
Materials	<b>24,160</b>	<b>28,192</b>	<b>21,430</b>
Transportation	<b>3,084</b>	<b>3,416</b>	<b>3,075</b>
Per Diem and Traveling Expenses	<b>2,896</b>	<b>3,204</b>	<b>2,252</b>
Mileage	<b>1,127</b>	<b>1,231</b>	<b>1,119</b>
Division Expenses	<b>20,528</b>	<b>17,616</b>	<b>17,513</b>
<i>Total</i>	<b>199,209</b>	<b>204,291</b>	<b>194,825</b>

## CUSTOMER SERVICE

(In Thousands \$)

	Actual	Projection	Proposed
			Budget
	2011-2012	2012-2013	2013-2014
Salaries	<b>105,203</b>	<b>105,315</b>	<b>109,876</b>
Wages	<b>1,776</b>	<b>5,535</b>	<b>6,460</b>
Materials	<b>3,285</b>	<b>3,567</b>	<b>2,936</b>
Transportation	<b>5,919</b>	<b>5,916</b>	<b>5,832</b>
Per Diem and Traveling Expenses	<b>1,427</b>	<b>1,472</b>	<b>1,169</b>
Mileage	<b>247</b>	<b>196</b>	<b>230</b>
Division Expenses	<b>2,977</b>	<b>5,181</b>	<b>3,148</b>
Total	<b>120,834</b>	<b>127,181</b>	<b>129,651</b>

## TRANSMISSION AND DISTRIBUTION

(In Thousands \$)

	Actual 2011-2012	Projection 2012-2013	Proposed
			Budget 2013-2014
Salaries	<b>194,150</b>	<b>192,705</b>	<b>192,019</b>
Wages	2,101	8,605	6,995
Materials	10,166	9,929	10,174
Transportation	14,489	14,585	16,214
Per Diem and Traveling Expenses	3,377	3,817	2,836
Mileage	1,460	1,368	1,046
Division Expenses	1,232	1,163	1,304
Total	<b>226,975</b>	<b>232,173</b>	<b>230,588</b>

## SUPPORT DIRECTORATES

(In Thousands \$)

	Actual 2011-2012 <b>127,215</b>	Projection 2012-2013 <b>95,054</b>	Proposed Budget 2013-2014 <b>92,417</b>
<i>Salaries</i>			
<i>Wages</i>	<b>198</b>	<b>300</b>	<b>265</b>
<i>Materials</i>	<b>1,274</b>	<b>1,065</b>	<b>927</b>
<i>Transportation</i>	<b>329</b>	<b>439</b>	<b>262</b>
<i>Per Diem and Traveling Expenses</i>	<b>474</b>	<b>431</b>	<b>415</b>
<i>Mileage</i>	<b>303</b>	<b>272</b>	<b>342</b>
<i>Division Expenses</i>	<b>12,877</b>	<b>13,929</b>	<b>9,719</b>
<i>Sub-Total</i>	<b>142,670</b>	<b>111,490</b>	<b>104,347</b>
<i>Corporate Expenses</i>	<b>139,561</b>	<b>91,680</b>	<b>103,102</b>
<i>Misc. Revenues Deductions</i>	<b>52</b>	<b>(3,015)</b>	<b>0</b>
<i>Total</i>	<b>282,283</b>	<b>200,155</b>	<b>207,449</b>

## DISPOSITION OF REVENUES

(In Thousands \$)

	Actual 2011-2012 <b>637,414</b>	Projection 2012-2013 <b>719,334</b>	Proposed Budget 2013-2014 <b>794,203</b>
Net Revenues			
Principal	<b>143,422</b>	<b>194,920</b>	<b>204,305</b>
Interest	<b>184,264</b>	<b>332,189</b>	<b>358,463</b>
Total Debt Service	<b>327,686</b>	<b>527,109</b>	<b>562,768</b>
Own Insurance	<b>5,000</b>	<b>0</b>	<b>0</b>
Maintenance Reserve	<b>0</b>	<b>0</b>	<b>0</b>
Interest on Notes	<b>4,405</b>	<b>509</b>	<b>7,731</b>
Internal Funds	<b>15,086</b>	<b>21,656</b>	<b>22,677</b>
Taxes to Municipalities	<b>241,160</b>	<b>128,132</b>	<b>164,703</b>
Subsidies	<b>44,077</b>	<b>41,928</b>	<b>36,324</b>
Total Disposition	<b>637,414</b>	<b>719,334</b>	<b>794,203</b>

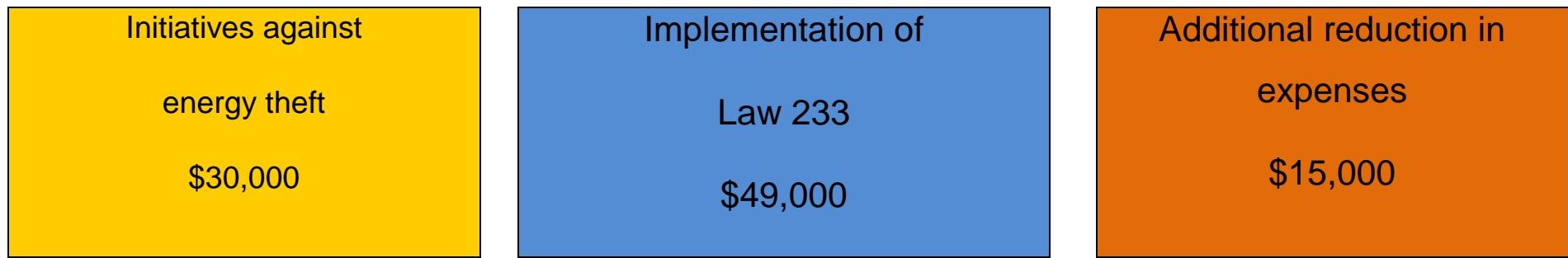
## CAPITAL IMPROVEMENT PROGRAM FUNDING

(In Thousands \$)

	Actual 2011-12	Projection 2012-2013	Proposed
			Budget
			2013-2014
Capital Improvement Program	<b>351,137</b>	<b>296,351</b>	<b>300,000</b>
<b>Funding</b>			
Internal Funds	<b>15,086</b>	<b>21,656</b>	<b>22,677</b>
Notes	<b>-</b>	<b>-</b>	<b>250,000</b>
Issuance of Bonds	<b>336,051</b>	<b>274,695</b>	
Others	<b>-</b>	<b>-</b>	<b>27,323</b>
Total	<b>351,137</b>	<b>296,351</b>	<b>300,000</b>

## Implementation of measures to Balance the Budget

(In Thousands \$)



**Total Measures \$125,674**

## DEBT COVERAGE

(In Thousands \$)

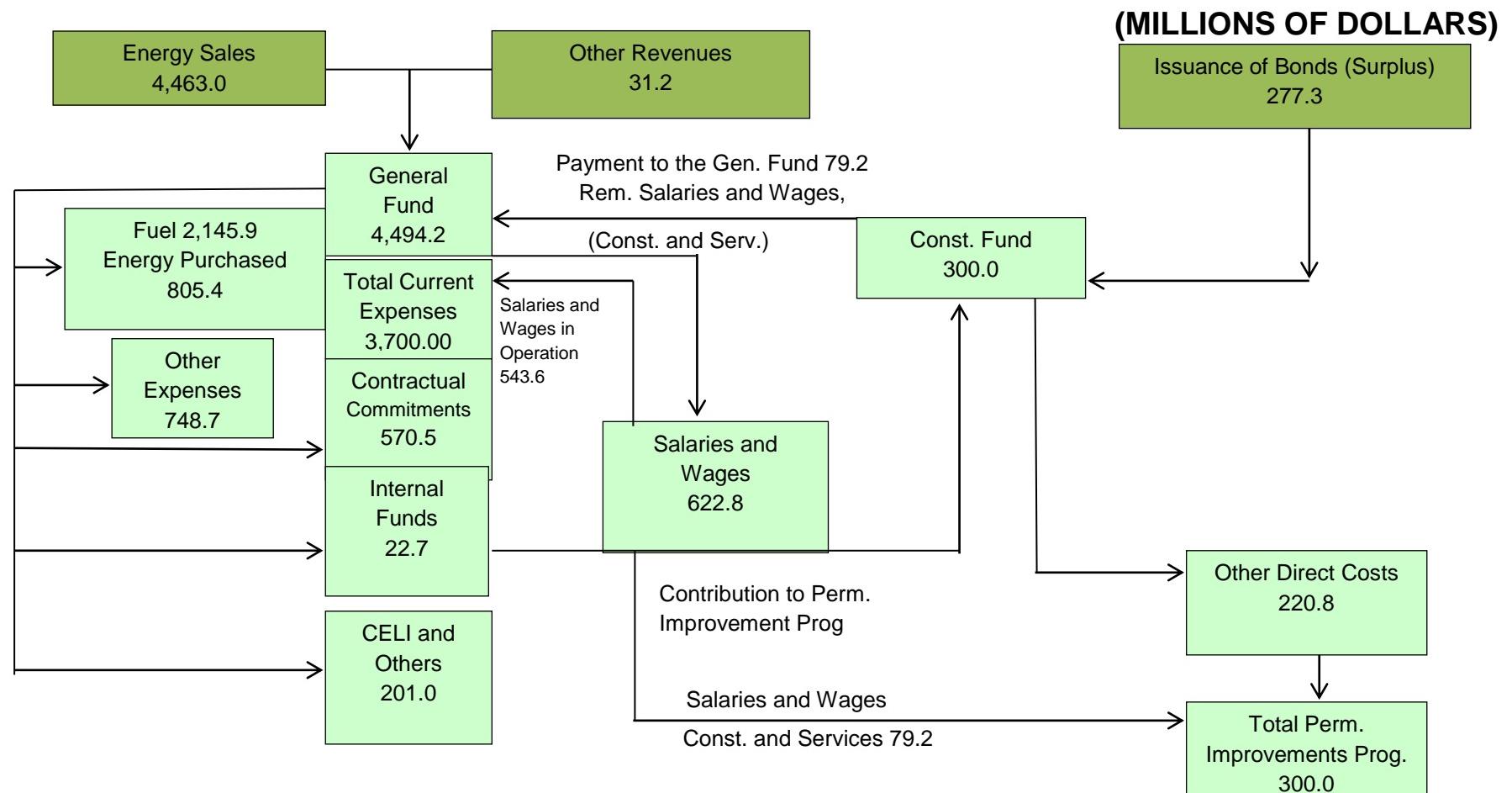
	Actual 2011-2012	Projection 2012-2013	Proposed Budget 2013-2014
Net Revenues	637,414	719,334	794,203
Debt Service	327,686	527,109	562,768
Coverage	1.95	1.36	1.41

# STATEMENTS OF REVENUE AND EXPENDITURE - PROJECTIONS

(In Thousands \$)

Fiscal Year	Approved	Proposed				
	2012-2013	2013-2014	2014-2015	2015-2016	2-16-2017	2017-2018
Total Revenues	4,865,947	4,494,211	4,558,037	4,538,771	4,589,252	4,519,866
Current Expenses						
Fuel	2,607,917	2,145,911	2,100,801	2,044,913	2,044,304	1,934,695
Energy Purchased	740,867	805,414	903,208	932,776	963,724	995,556
Salaries & Wages	538,851	543,638	523,624	529,374	529,374	529,374
Others	152,963	205,045	207,262	209,513	211,802	211,802
Total Current Expenses	4,040,598	3,700,008	3,734,895	3,716,576	3,749,204	3,671,427
Net Revenues	825,349	794,203	823,142	822,195	840,048	848,439
Contractual Obligations	560,481	593,176	617,379	613,260	646,704	646,704
AELI and Others	264,868	201,027	205,763	208,935	193,344	201,735
<b>Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Debt Service Coverage	527,109	562,768	578,506	592,788	626,232	626,232
	1.57	1.41	1.42	1.39	1.34	1.35

## SOURCES AND DISPOSITION OF OPERATING AND CONSTRUCTION FUNDS 2013-2014



## TRUST vs. GAAP Fiscal Year 2013-14

(In Thousands \$)

	1974 PER TRUST	Revenues Statement (GAAP)	Difference
Operating Revenues	<u>4,494,211</u>	<u>4,494,287</u>	<u>76</u>
Current Expenses			
Fuels	2,145,911	2,145,911	0
Energy Purchased	805,414	805,414	0
Others	748,683	748,683	0
Depreciation	0	374,064	374,064
OPEB	0	7,841	7,841
Total Current Expenses	<u>3,700,008</u>	<u>4,081,913</u>	<u>381,905</u>
Net Revenues	<u>794,203</u>	<u>412,374</u>	<u>(381,829)</u>
Contractual Obligations	570,499	401,271	(169,228)
Internal Funds	22,677	0	(22,677)
Contributed Capital	0	(24,185)	(24,185)
Total Contractual Obligations and Contributed Capital	<u>593,176</u>	<u>377,086</u>	<u>(216,090)</u>
Net Revenues before Contribution in Lieu of Taxes	<u>201,027</u>	<u>35,288</u>	<u>(165,739)</u>
AELI and Others	201,027	201,027	0
Change in Net Assets	<u>0</u>	<u>(165,739)</u>	<u>(165,739)</u>

[seal:] PUERTO RICO ELECTRIC POWER AUTHORITY  
GOVERNING BODY – OFFICIAL SEAL

COMMONWEALTH OF PUERTO RICO  
**Puerto Rico Electric Power Authority**

Eng. Juan F. Alicea Flores  
Executive Director

May 16, 2013

Governing Body  
[signature]  
Juan F. Alicea Flores  
Executive Director

**Proposed Current Expenses and Capital Improvements Budget  
Fiscal Year 2013-14**

We include the Proposed Budget, which was discussed at a Special Meeting on May 14, 2013.

In addition, we include the projections for revenues and expenses for the next five years (i.e. until 2018) and the draft resolution.

Attachments

POST OFFICE BOX 364267 SAN JUAN, PUERTO RICO 00936-4267 TELEPHONE: (787) 521-4666  
TELEFAX: (787) 521-4665

*"We are an employer with equal opportunities at work and we do not discriminate on grounds of race, color, sex, age, social or national origin, social status, political affiliation, political or religious ideas; on the basis of being a victim or being perceived as a victim of domestic violence, sexual aggression or stalking; on the basis of physical or mental impediment or both, on the basis of status as a veteran or on the basis of genetic information."*

**INCOME STATEMENTS PER TRUST - PROJECTED  
FISCAL YEARS 2013-14 TO 2017-18  
(\$ 000)**

	<b>Approved 2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
Average Cost Per Barrel	\$116.25	\$94.96	\$94.41	\$88.57	\$87.15	\$80.91
Average Revenue per kWh (in cents):	\$27.11	24.52	24.78	24.40	24.30	23.51
Barrel Used (Thousands)	22,434.00	22,597	22,253	23,089	23,457	23,911
Generation (Million Kwh)	14,673.50	14,589.9	14,085.3	14,345.7	14,667.9	15,107.5
Purchase Power (GWHR)	7,154.00	7,708	8,033	8,069	8,101	8,099
Energy Sales (Million Kwh)	17,932.00	18,199.0	18,267.8	18,476.0	18,756.9	19,090.6
Change (%)	-0.05%	1.49%	0.38%	1.14%	1.52%	1.78%
Revenues						
Sales of electric energy						
Residencial	1,731,015	1,642,922	1,663,817	1,655,368	1,675,579	1,649,208
Commercial	2,338,619	2,173,701	2,214,832	2,214,347	2,246,456	2,220,105
Industrial	628,460	498,880	499,847	490,555	489,373	475,477
Other	132,795	117,529	118,362	117,322	116,665	113,897
Increase in Sales / Reduction Energy Theft	30,000	30,000	30,000	30,000	30,000	30,000
Total	4,860,889	4,463,032	4,526,858	4,507,592	4,558,073	4,488,687
Other (principally interest)	5,058	31,179	31,179	31,179	31,179	31,179
Total	4,865,947	4,494,211	4,558,037	4,538,771	4,589,252	4,519,866
Current Expenses						
Fuel	2,607,917	2,145,911	2,100,801	2,044,913	2,044,304	1,934,695
Purchased power	740,867	805,414	903,208	932,776	963,724	995,556
Salaries	528,827	527,798	515,704	521,454	521,454	521,454
Wages	10,024	15,840	7,920	7,920	7,920	7,920
Materials and Supplies	11,872	35,467	36,176	36,900	37,638	37,638
Transportation	27,434	25,383	25,891	26,408	26,937	26,937
Per Diem and Traveling Expenses	4,400	6,672	6,672	6,672	6,672	6,672
Mileage and Stand By Expenses	1,968	2,737	2,737	2,737	2,737	2,737
Misc. Division Expenses	12,834	31,684	32,318	32,964	33,623	33,623
Corporate Expenses	94,455	103,102	103,468	103,832	104,195	104,195
Total	4,040,598	3,700,008	3,734,895	3,716,576	3,749,204	3,671,427
Net revenues	825,349	794,203	823,142	822,195	840,048	848,439
Debt Service (Exhibit A)						
1974 Sinking Fund	527,109	562,768	578,506	592,788	626,232	626,232
Reserve Maintenance	0	0	0	0	0	0
Self Insurance Fund	0	0	0	0	0	0
Interest on Notes	6,372	7,731	7,552	7,552	7,552	7,552
Capital Improvement Fund	27,000	22,677	31,321	12,920	12,920	12,920
Total	560,481	593,176	617,379	613,260	646,704	646,704
Balance	264,868	201,027	205,763	208,935	193,344	201,735
Contribution in lieu of taxes and other (Exhibit B)	264,868	201,027	205,763	208,935	193,344	201,735
Balance	0	0	0	0	0	0
Debt service	527,109	562,768	578,506	592,788	626,232	626,232
Coverage	1.57	1.41	1.42	1.39	1.34	1.35
Highest debt service	594,844	594,844	636,906	636,906	681,899	681,899
Coverage	1.39	1.34	1.29	1.29	1.23	1.24

Exhibit A

**PUERTO RICO ELECTRIC POWER AUTHORITY**

**DEBT SERVICE**

**FISCAL YEARS 2013-14 TO 2017-18**

**( \$ 000 )**

	<b>Approved 2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
1974 SINKING FUND						
INTEREST	332,189	358,463	364,096	368,753	388,867	376,697
PRINCIPAL	194,920	204,305	214,410	224,035	237,365	249,535
RESERVE						
SUB-TOTAL	527,109	562,768	578,506	592,788	626,232	626,232
SELF INSURANCE FUND	0	0	0	0	0	0
INTEREST ON NOTES	6,372	7,731	7,552	7,552	7,552	7,552
CAPITAL IMPROVEMENT FUNDS	27,000	22,677	31,321	12,920	12,920	12,920
TOTAL	560,481	593,176	617,379	613,260	646,704	646,704
RESERVE MAINTENANCE FUND	0	0	0	0	0	0
TOTAL DEBT SERVICE	<b>560,481</b>	<b>593,176</b>	<b>617,379</b>	<b>613,260</b>	<b>646,704</b>	<b>646,704</b>

5/16/2013

Exhibit B

**CONTRIBUTION IN LIEU OF TAXES AND OTHER**

**FISCAL YEARS 2013-14 TO 2017-18**

( \$ 000 )

DESCRIPTION	Approved 2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
MUNICIPALITIES Implementation of Law 233	229,560	213,703 (49,000)	217,815 (49,000)	219,375 (49,000)	200,438 (49,000)	205,610 (49,000)
HOTELS SUBSIDY Law 73 Industrial Incentives	7,719	7,949 2,203	8,099 2,937	8,098 3,671	8,215 6,425	8,119 9,179
SUBSIDIES:						
IRRIGATION SYSTEMS	7,611	5,357	5,464	5,573	5,685	5,799
RESIDENTIAL CUSTOMERS	19,978	20,815	20,448	21,218	21,581	22,028
TOTAL	<u>264,868</u>	<u>201,027</u>	<u>205,763</u>	<u>208,935</u>	<u>193,344</u>	<u>201,735</u>

5/16/2013

**PUERTO RICO ELECTRIC POWER AUTHORITY**

**CAPITAL IMPROVEMENT PROGRAM**

**FISCAL YEARS 2013-14 TO 2017-18**

**( \$ 000 )**

CWIP	Approved 2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	Total
PRODUCTION	118,898	96,375	115,850	110,365	128,502	124,650	575,742
TRANSMISSION	58,965	66,347	61,262	66,859	62,613	72,391	329,472
DISTRIBUTION	91,097	99,884	87,532	88,836	96,112	92,774	465,138
OTHER	31,040	37,394	35,356	33,940	37,773	35,185	179,648
TOTAL	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>325,000</b>	<b>325,000</b>	<b>1,550,000</b>
<b>FINANCING</b>							
SURETY POLICY							
INTERNAL FUNDS							
BORROWINGS:							
INTERIM	27,000	22,677	31,321	12,920	12,920	12,920	92,758
PERMANENT - REGULAR							
CAPITALIZED INTEREST							
INTEREST INCOME							
AMOUNTS PROVIDED FROM (USED FOR)							
UNEXP. FINANCING OR OTHER FUNDS							
	273,000	27,323	(9,521)	37,080	(3,420)	62,080	113,542
TOTAL	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>325,000</b>	<b>325,000</b>	<b>1,550,000</b>
PROJECTED BOND ISSUES							<b>0</b>
INTERNAL FINANCING PERCENTAGE	4%	9%	8%	10%	4%	4%	
Recommended by Consulting Engineers	12%	9%	4%	4%	4%	6%	

5/16/2013



ESTADO LIBRE ASOCIADO DE PUERTO RICO  
AUTORIDAD DE ENERGÍA ELÉCTRICA DE PUERTO RICO  
JUNTA DE GOBIERNO

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APARTADO 364267  
CORREO GENERAL  
SAN JUAN, PR 00936-4267

RESOLUTION 4028

- WHEREAS:** Pursuant to Section 504 of the Trust Agreement of January 1, 1974, adopted by Resolution 1395, the Authority covenants that, on or before the 15<sup>th</sup> day of May of each year, the Governing Board will cause to be prepared and will adopt and file with the Secretary, with the Trustee, and with the Consulting Engineers a Proposed Budget of Current Expenses and of Capital Expenditures for the ensuing fiscal year; and
- WHEREAS:** In a special meeting of the Governing Board, held on May 14, 2013, the proposed budget was presented and discussed.

**BE IT RESOLVED** by the Puerto Rico Electric Power Authority:

That the Proposed Budget of Current Expenses and of Capital Expenditures for 2013-2014, filed with the Secretary this day and marked Exhibit 2960, is hereby adopted and public hearing be held pursuant to Section 504 of the Trust Agreement of January 1, 1974. The Secretary is directed to file a copy of the Consolidated Budget of Current Expenses and Capital Expenditures.

Approved in San Juan, Puerto Rico, the sixteenth day of May, 2013.

"Somos un patrono con igualdad de oportunidades en el empleo y no discriminamos por razón de raza, color, sexo, edad, origen social o nacional, condición social, afiliación política, ideas políticas o religiosas; por ser víctima o ser percibida(o) como víctima de violencia doméstica, agresión sexual o acecho; por impedimento físico, mental o ambos, por condición de veterano(a) o por información genética."

**Commonwealth of Puerto Rico  
Puerto Rico Electric Power Authority**

**PROPOSED ANNUAL BUDGET  
CURRENT EXPENSES AND  
CAPITAL EXPENDITURES**



**Fiscal Year 2013-2014**

**Commonwealth of Puerto Rico  
PUERTO RICO ELECTRIC POWER AUTHORITY**

**PROPOSED ANNUAL BUDGET FOR FISCAL YEAR 2013-2014**

**PER SECTION 504 OF THE TRUST AGREEMENT**

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Statement No. 1

**Commonwealth of Puerto Rico  
PUERTO RICO ELECTRIC POWER AUTHORITY**

**PROPOSED ANNUAL BUDGET - FISCAL YEAR 2013-2014**

**STATEMENT OF REVENUES AND EXPENSES FOR REVENUE FUND PURPOSES  
PER TRUST AGREEMENT - SUMMARY  
(Dollars in thousands)**

<i>Revenues:</i>	<i>Amount</i>
Sales of Electric Energy	4,463,032
Other income	<u>31,255</u>
Total revenues	4,494,287
Less: 1974 Construction fund investment income and gain on sale of properties	<u>76</u>
Revenues (As defined)	<u>4,494,211</u>
<i>Current Expenses:</i>	
Fuel	2,145,911
Purchased power	805,414
Salaries	527,798
Wages	15,840
Materials and Supplies	35,467
Transportation	25,383
Per Diem and Traveling Expenses	6,672
Mileage and Stand By Expenses	2,737
Division Expenses	31,684
Corporatives Expenses	<u>103,102</u>
Total current expenses	<u>3,700,008</u>
Net Revenues	<u>794,203</u>
<i>Debt Services:</i>	
1974 Sinking Fund Payment	
Interest account	562,768
Bond redemption account	0
Reserve	0
Self Insurance Fund	0
Interest on Notes	7,731
Capital Improvement Fund	22,677
Reserve Maintenance Fund	<u>0</u>
Total contractual obligations	<u>593,176</u>
Balance	201,027
Provision for contribution in lieu of taxes to municipalities	164,703
Other appropriations	<u>36,324</u>
Balance	<u>0</u>

**Commonwealth of Puerto Rico  
PUERTO RICO ELECTRIC POWER AUTHORITY**

**ANNUAL BUDGET OF CAPITAL EXPENDITURES  
FISCAL YEAR 2014  
(Dollars in thousands)**

<u>Budget Item No.</u>	<u>Budget Item Title</u>	<u>Amount</u>
<u><i>Production Plant</i></u>		
<u><i>Thermal Production Plant</i></u>		
150	<i>Fuel Management and Storage</i>	3,050
160	<i>Improvements to Steam Boilers</i>	23,150
165	<i>Improvements to Steam Turbine Generator</i>	11,400
170	<i>Improvements to Steam Balance of Plant</i>	14,150
173	<i>Pollutant Removal and Treatment</i>	1,500
175	<i>Pollution Control Projects</i>	11,100
	<i>Total Thermal Production Plant</i>	<u>64,350</u>
<u><i>Hydraulic Production Plant</i></u>		
180	<i>Hidroelectric Plant Improvements</i>	3,200
<u><i>Other Production</i></u>		
185	<i>Improvement Combustion Turbines Simple Cycle</i>	2,500
187	<i>Improvement to Balance Turbine Simple Cycle</i>	2,700
190	<i>Improvements to Steam Turbine Generator Combined Cycle</i>	5,000
195	<i>Improvement to Other Balance of Plants Combined Cycle</i>	2,100
196	<i>Improvement to GasTurbines Combined Cycle</i>	12,225
199	<i>Other Improvement to Generation Plants</i>	4,300
	<i>Total Other Production</i>	<u>28,825</u>
<b>TOTAL PRODUCTION PLANT</b>		<u><b>96,375</b></u>

**Commonwealth of Puerto Rico  
PUERTO RICO ELECTRIC POWER AUTHORITY**

**ANNUAL BUDGET OF CAPITAL EXPENDITURES  
FISCAL YEAR 2014  
(Dollars in thousands)**

<i>Budget Item No.</i>	<i>Budget Item Title</i>	<i>Amount</i>
<i><u>Transmission Plant</u></i>		
205	230 kV New Line	8,100
210	38 kV New Line	1,525
215	38 kV Underground System	130
230	115/38 kV New Transmission Center & Increase Capacity	9,000
237	115 kV Switchyard New & Expansions	2,700
242	38 kV Switchyard New & Expansions	4,365
255	Energy Management System	370
267	115 kV Line Rehabilitation	17,450
275	38 kV Line Rehabilitation	15,132
280	Transmission Pole Replacements	1,000
285	Breakers Uprating	500
288	Grounding Mat Reconstruction	225
290	Transmission Misc. Improv. Plant - Engineering	400
292	Transmission Misc. Improv. Plant - Electric System	4,500
294	Other Transmission Plant	950
<i>TOTAL TRANSMISSION PLANT</i>		<u>66,347</u>

**Commonwealth of Puerto Rico**  
**PUERTO RICO ELECTRIC POWER AUTHORITY**

**ANNUAL BUDGET OF CAPITAL EXPENDITURES**  
**FISCAL YEAR 2014**  
**(Dollars in thousands)**

<u>Budget Item No.</u>	<u>Budget Item Titles</u>	<u>Amount</u>
<u>Distribution Plant</u>		
300	New Distribution Substations	5,750
315	Construction and Extension of 13.2 kV Aerial Feeders	7,235
316	Construction and Extension of 4.16 kV - 8.32 kV Aerial Feeders	1,275
330	Line Extension to Serve New Customers	1,950
335	Construction and Extension of 13.2 kV Underground Feeders	1,090
337	Construction and Extension of 4.16 kV - 8.32 kV Underground	600
340	New Services Drops Installation - Commercial	912
360	Rehabilitation of Substations	4,750
363	Miscellaneous Substations Improvements	500
368	Replacement of Residential and Commercial Services	456
370	Improvements to 4.16 kV - 8.32 kV Aerial Distribution System	26,633
374	Improvements to the 13.2 kV Aerial Distribution System	4,115
378	Improvements to the 13.2 kV Underground System	7,550
379	Improvements to the 4.16 KV - 8.32 KV Underground System	9,407
382	Street Lighting	6,500
383	Special Transformers	1,215
385	Purchase of Meters and Metering Equipment	12,286
390	Purchase and Installation of Breakers and Sectionalizers	1,475
392	Purchase Step - Voltage Regulators	275
395	Distribution Lines Capacitors	325
397	Distribution Line Voltage Converter	635
398	Distribution System Automation	500
399	Other Distribution Projects	4,450
<u>TOTAL DISTRIBUTION PLANT</u>		<u>99,884</u>

Statement No. 2

**Commonwealth of Puerto Rico  
PUERTO RICO ELECTRIC POWER AUTHORITY**

**ANNUAL BUDGET OF CAPITAL EXPENDITURES  
FISCAL YEAR 2014  
(Dollars in thousands)**

<u>Budget Item No.</u>	<u>Budget Item Titles</u>	<u>Amount</u>
<u><b>General Land and Building</b></u>		
400	<i>Land &amp; Right of Way</i>	3,000
462	<i>Minor Improvements Technical Offices</i>	600
468	<i>Improvement to Warehouses</i>	350
470	<i>Improvement to Workshops</i>	300
472	<i>Improvement to Other Buildings</i>	625
476	<i>Improvement Land &amp; Buildings - Electric System</i>	500
478	<i>Improvement Land &amp; Buildings - Administrative Service</i>	1,310
480	<i>Improvement to Commercial Offices - Client Service</i>	532
<i>TOTAL GENERAL LAND AND BUILDINGS</i>		<u>7,217</u>
<u><b>OFFICE FURNITURE AND EQUIPMENT</b></u>		
<u><b>Office Equipment</b></u>		
509	<i>Office Equipment - Finance</i>	15
510	<i>Office Equipment - Administrative Services</i>	15
513	<i>Office Equipment - Client Service</i>	304
514	<i>Office Equipment - Transmission and Distribution</i>	285
<i>TOTAL OFFICE EQUIPMENT</i>		<u>619</u>

**Commonwealth of Puerto Rico  
PUERTO RICO ELECTRIC POWER AUTHORITY**

**ANNUAL BUDGET OF CAPITAL EXPENDITURES  
FISCAL YEAR 2014  
(Dollars in thousands)**

<i>Budget Item No.</i>	<i>Budget Item Title</i>	<i>Amount</i>
<u><i>Computer Equipment</i></u>		
520	Computer Equipment - Executive Offices	25
521	Computer Equipment - Systems	2,800
522	Computer Equipment - Legal	25
523	Computer Equipment - Planning and Environmental	450
525	Computer Equipment - Finance	625
526	Computer Equipment - Administrative Services	15
527	Computer Equipment - Human Resources	250
528	Computer Equipment - Electric System	250
529	Computer Equipment - Client Service	281
530	Computer Equipment - Transmission and Distribution	250
<i>TOTAL COMPUTER EQUIPMENT</i>		<u>4,971</u>

*Transportation Equipment*

540	Equipment - Air Transportation	500
545	Equipment - Adquisition and Replacement of Land Transp.	7,800
<i>TOTAL TRANSPORTATION EQUIPMENT</i>		<u>8,300</u>

**Commonwealth of Puerto Rico  
PUERTO RICO ELECTRIC POWER AUTHORITY**

**ANNUAL BUDGET OF CAPITAL EXPENDITURES  
FISCAL YEAR 2014  
(Dollars in thousands)**

<i>Budget Item No.</i>	<i>Budget Item Title</i>	<i>Amount</i>
<b><u>Other Equipment</u></b>		
550	<i>Equipment Communication - Electric System</i>	800
551	<i>Equipment Communication - Client Service</i>	38
553	<i>Equipment Communication - Transmission and Distribution</i>	75
555	<i>Equipment - Telephone and Data Lines</i>	3,250
560	<i>Other Equipment Planning and Environmental Protection</i>	893
562	<i>Other Equipment - Engineering</i>	4,000
564	<i>Other Equipment - Administrative Services</i>	380
565	<i>Equipment Workshop Land Transportation</i>	175
566	<i>Other Equipment - Human Resources</i>	10
568	<i>Other Equipment - Electric System</i>	1,150
570	<i>Other Equipment - Client Service</i>	391
572	<i>Other Equipment - Transmission and Distribution</i>	1,000
575	<i>Other Equipment - Finance</i>	500
	<i>Total Other Equipment</i>	<u>12,662</u>
	<b>TOTAL EQUIPMENT</b>	<u>26,552</u>
 <i>Preliminary Surveys and Investigation</i>		
600	<i>Preliminary Studies - Engineering</i>	1,975
605	<i>Preliminary Studies - Special Project</i>	50
610	<i>Preliminary Studies - Planning and Environmental Protection</i>	1,200
	<i>Renewable Energy - Planning and Research</i>	400
	<i>Preliminary Surveys and Investigation</i>	<u>3,625</u>
	<b>TOTAL CAPITAL EXPENDITURES BUDGET</b>	<u><b>300,000</b></u>

**Commonwealth of Puerto Rico  
PUERTO RICO ELECTRIC POWER AUTHORITY**

**APPROVED ANNUAL BUDGET OF CAPITAL EXPENDITURES**

**FISCAL YEAR 2012-13  
FINANCING REQUIREMENTS**

*(Dollars in thousands)*

<u>Capital Expenditures Budget</u>	<u>Amount</u>
Production Plant	96,375
Transmission Facilities	66,347
Distribution Facilities	99,884
Others	37,394
<b>TOTAL</b>	<b><u>300,000</u></b>

Sources of Construction Funds

*Financing*

<i>Internally Generated Funds</i>	22,677
<i>Borrowed Funds:</i>	
<i>Interim</i>	250,000
<i>Permanent - Regular</i>	0
<i>Capitalized Interest</i>	0
<i>Earned Interest</i>	0
<i>Amounts provided from (or used for) unexpended financing and other funds</i>	<u>27,323</u>
<b>TOTAL</b>	<b><u>300,000</u></b>

**Commonwealth of Puerto Rico  
PUERTO RICO ELECTRIC POWER AUTHORITY**

**DETAIL OF FUNDS TO BE PROVIDED BY THE  
GOVERNMENT DEVELOPMENT BANK**

**FISCAL YEAR 2013-2014  
(Dollars in thousands)**

<u>MONTH\YEAR</u>	<u>AMOUNT</u>	<u>MONTH\YEAR</u>	<u>AMOUNT</u>
JULY 2013	-	JANUARY 2014	50,000
AUGUST 2013	-	FEBRUARY 2014	-
SEPTEMBER 2013	50,000	MARCH 2014	50,000
OCTOBER 2013	-	APRIL 2014	-
NOVEMBER 2013	50,000	MAY 2014	50,000
DECEMBER 2013	-	JUNE 2014	-

*Autoridad de Energía Eléctrica*

**PRESUPUESTO  
PROUESTO  
AÑO FISCAL 2013-14**

# ESTADÍSTICAS



	Real 2011-12	Proyección 2012-2013	Presupuesto 2013-2014
Costo Promedio por Barril Bariles Usados (En Miles)	\$118.39	\$107.04	\$94.96
Generación Interna (MWH)	24,511	23,852	22,597
Compra de Energía (GWHR)	15,558	15,052	14,590
Ventas (MWH)	6,634	7,083	7,708
Centavos por KWH	18,112	17,966	18,199
Ingresos por Ventas (En Miles)	27.78	26.20	24.52
	5,031,429	4,707,535	4,463,032

## ESTADO DE INGRESOS Y GASTOS

(En Miles \$)

	Real	Proyección	Propuesto
	2011-2012	2012-2013	2013-2014
<b>Ingresos</b>			
	5,052,678	4,722,713	4,494,211
<b>Gastos Corrientes:</b>			
Combustible	2,901,815	2,553,178	2,145,911
Energía Comprada	684,148	686,402	805,414
Operación y Mantenimiento	829,301	763,799	748,683
<b>Total de Gastos Corrientes</b>	<b>4,415,264</b>	<b>4,003,379</b>	<b>3,700,008</b>
<b>Ingresos Netos Según Definidos</b>	<b>637,414</b>	<b>719,334</b>	<b>794,203</b>

# GASTOS DE OPERACIÓN Y MANTENIMIENTO

(En Miles \$)

	Real 2011-2012	Proyección 2012-2013	Presupuesto Propuesto 2013-2014
Salarios	571,467	537,036	527,798
Jornales	6,590	16,831	15,840
Materiales	38,885	42,753	35,467
Transportación	23,821	24,356	25,383
Dietas	8,175	8,666	6,672
Millaje	3,137	3,047	2,737
Gastos de División	37,614	37,440	31,684
Sub-Total	689,689	670,129	645,581
Gastos Corporativos	139,612	93,670	103,102
Total	829,301	763,799	748,683

# SALARIOS Y JORNALES

(En Miles \$)

Descripción	Real 2011-12	Proyección 2012-13	Presupuesto Propuesto 2013-14
Salarios Básico – Regulares	302,921	276,035	288,713
Salarios Básico – Temporeros	3,982	9,609	9,380
Tiempo Extra	44,687	47,820	26,631
Tiempo Compensatorio	10,417	18,419	6,620
Beneficios Marginales:			
• Sistema Retiro	73,227	73,639	87,312
• Plan Médico	59,884	60,042	55,684
• Seguro Social	27,694	26,919	25,255
• Fondo Seguro del Estado	13,250	12,808	10,728
• Otros	41,995	28,576	33,315
Total	\$578,057	\$553,867	\$543,638

# GASTOS CORPORATIVOS

(En Miles \$)

Clase de Gasto	Real 2011-12	Proyección 2012-2013	Presupuesto Propuesto 2013-14	
620 Seguros	24,808	26,867	21,609	
616 Plan Médico - Jubilados	20,478	20,164	19,890	
627 Seguridad	20,250	18,860	18,010	
631 Agua y Luz	9,387	10,340	10,819	
645 Servicios Bancarios	10,471	5,524	10,500	
644 Mantenimiento y Servicios Corporativos	8,681	7,065	9,746	
630 Reglamentos e Inspecciones Ambientales	5,320	6,950	7,731	
671 Laudos	14,741	2,134	6,401	
632 Renta	5,698	6,423	5,812	
621 Reclamaciones	8,045	4,428	5,000	
Otros	41,177	12,968	13,439	
Sub-Total	169,056	121,723	128,957	
636-637-638 Gastos Admin. y Generales	(29,496)	(25,571)	(25,855)	
Deducciones Misceláneas	52	(2,482)	0	
Total	139,612	93,670	103,102	

## DETALLE GASTOS DE DIVISIÓN

(En Miles \$)

Descripción de Gastos	2013-14
Servicios Profesionales y Data	688
Tarifas Postales y de Comunicación	5,141
Mantenimiento Terrenos y Edificios	2,322
Mantenimiento Otros Equipos	5,143
Ordenes de Servicio	2,613
Servicio de "Blankets"	1,592
Servicios Profesionales y Técnicos	4,299
Mantenimiento Equipo y Data	1,479
Mantenimiento Unidades Generatrices	4,871
Renta Equipo Técnico	1,735
Otros	1,801
Total	31,684

# GASTOS POR DIRECTORADO

(En Miles \$)

	Real 2011-2012	Proyección 2012-2013	Presupuesto Propuesto 2013-2014
Junta de Gobierno	630	596	511
Ejecutivo	51,563	60,192	49,206
Asuntos Jurídicos	6,807	12,464	8,457
Planificación y Protección	11,400	18,025	11,909
Finanzas	13,147	18,935	13,858
Recursos Humanos y Asuntos Laborales	20,133	21,844	20,406
Generación	199,209	204,291	194,825
Servicio al Cliente	120,834	127,181	129,651
Transmisión y Distribución	226,975	232,173	230,588
Sub-Total	650,698	695,701	659,411
Responsabilidades Corporativas	178,603	68,098	103,102
Otros	0	0	(13,830)
Total	829,301	763,799	748,683

# GENERACIÓN

	(En Miles \$)		
	Real	Proyección	Presupuesto
	2011-2012	2012-2013	Propuesteo 2013-2014
<i>Salarios</i>	144,899	148,241	147,316
<i>Jornales</i>	2,515	2,391	2,120
<i>Materiales</i>	24,160	28,192	21,430
<i>Transportación</i>	3,084	3,416	3,075
<i>Dietas</i>	2,896	3,204	2,252
<i>Millaje</i>	1,127	1,231	1,119
<i>Gastos de División</i>	20,528	17,616	17,513
<i>Total</i>	199,209	204,291	194,825

# SERVICIO AL CLIENTE

(En Miles \$)

	Presupuesto Real 2011-2012	Proyección 2012-2013	Propuesto 2013-2014
Salarios	105,203	105,315	109,876
Jornales	1,776	5,535	6,460
Materials	3,285	3,567	2,936
Transportación	5,919	5,916	5,832
Dietas	1,427	1,472	1,169
Millaje	247	196	230
Gastos de División	2,977	5,181	3,148
Total	120,834	127,181	129,651

## TRANSMISIÓN Y DISTRIBUCIÓN

(En Miles \$)

	Real 2011-2012	Proyección 2012-2013	Presupuesto Propuesto 2013-2014
Salarios	194,150	192,705	192,019
Jornales	2,101	8,605	6,995
Materiales	10,166	9,929	10,174
Transportación	14,489	14,585	16,214
Dietas	3,377	3,817	2,836
Millaje	1,460	1,368	1,046
Gastos de División	1,232	1,163	1,304
Total	226,975	232,173	230,588

# DIRECTORADOS DE APOYO

	(En Miles \$)		
	<i>Real</i>	<i>Proyección</i>	<i>Presupuesto</i>
	<i>2011-2012</i>	<i>2012-2013</i>	<i>Propuesto</i>
Salarios	127,215	95,054	92,417
Jornales	198	300	265
Materiales	1,274	1,065	927
Transportación	329	439	262
Dietas	474	431	415
Millaje	303	272	342
<i>Gastos de División</i>	<i>12,877</i>	<i>13,929</i>	<i>9,719</i>
<i>Sub-Total</i>	<i>142,670</i>	<i>111,490</i>	<i>104,347</i>
<i>Gastos Corporativos</i>	<i>139,561</i>	<i>91,680</i>	<i>103,102</i>
<i>Deducciones Misc. del Ingreso</i>	<i>52</i>	<i>(3,015)</i>	<i>0</i>
<i>Total</i>	<i>282,283</i>	<i>200,155</i>	<i>207,449</i>

## DISPOSICIÓN DE LOS INGRESOS

(En Miles \$)

	Real 2011-2012	Proyección 2012-2013	Propuesto 2013-2014
Ingresos Netos	637,414	719,334	794,203
Principal	143,422	194,920	204,305
Intereses	184,264	332,189	358,463
Total Servicio a la Deuda	327,686	527,109	562,768
Seguro Propio	5,000	0	0
Reserva de Mantenimiento	0	0	0
Intereses en Notas	4,405	509	7,731
Fondos Internos	15,086	21,656	22,677
Contribución a los Municipios	241,160	128,132	164,703
Subsidios	44,077	41,928	36,324
Disposición Total	637,414	719,334	794,203

# FINANCIAMIENTO PROGRAMA MEJORAS CAPITALES

(En Miles \$)

	Costos Incurridos 2011-12	Presupuesto Proyección 2012-2013	Presupuesto Propuesto 2013-2014
Programa Mejoras Capitales	351,137	296,351	300,000
<b>Financiamiento</b>			
Fondos Internos	15,086	21,656	22,677
Notas	-	-	250,000
Emisión de Bonos	336,051	274,695	27,323
Otros	-	-	
<b>Total</b>	<b>351,137</b>	<b>296,351</b>	<b>300,000</b>

# Implantación de Medidas para Balancear el Presupuesto

(En Miles \$)

**Total Medidas \$125,674**

Iniciativas contra el  
hurto de energía

\$30,000

Implantación de la  
Ley 233

\$49,000

Reducción adicional  
en gastos

\$15,000

Aumentos en copagos y  
deductibles al Plan Médico  
de los empleados

\$10,000

Retiro de empleados  
con 25 años o más (500)

\$21,674

## CUBIERTA DE LA DEUDA

(En Miles \$)

	Real	Proyección	Propuesto
	2011-2012	2012-2013	2013-2014
Ingresos Netos	637,414	719,334	794,203
Servicio de la Deuda	327,686	527,109	562,768
Cubierta	1.95	1.36	1.41

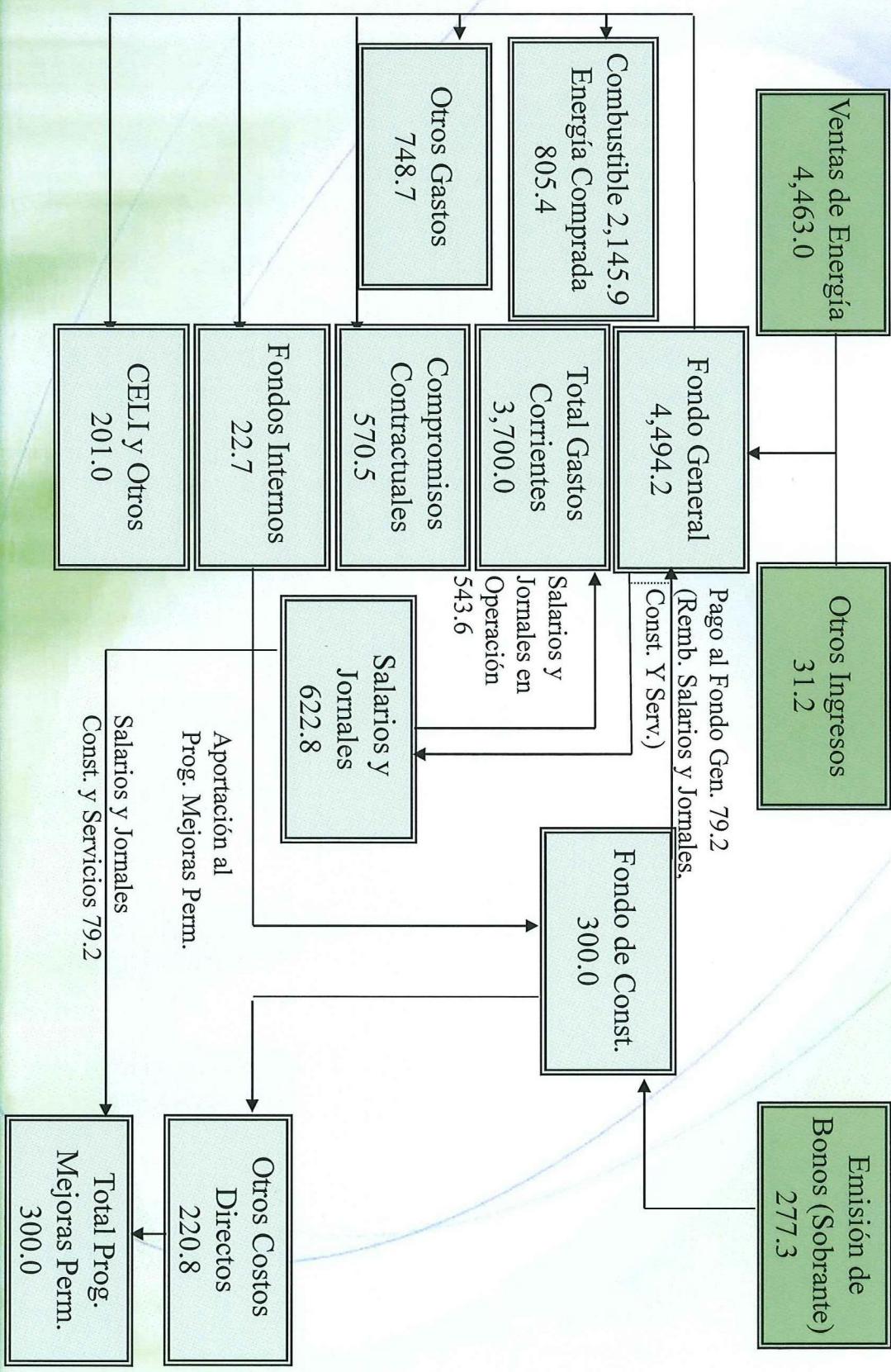
# ESTADOS DE INGRESOS Y GASTOS - PROYECTADOS

(En Miles \$)

	Aprobado 2012-13	Propuesto 2013-14	2014-15	2015-16	2016-17	2017-18
<b>Total Ingresos</b>	<b>4,865,947</b>	<b>4,494,211</b>	<b>4,558,037</b>	<b>4,538,771</b>	<b>4,589,252</b>	<b>4,519,866</b>
Gastos Corrientes						
Combustible	2,607,917	2,145,911	2,100,801	2,044,913	2,044,304	1,934,695
Energía Comprada	740,867	805,414	903,208	932,776	963,724	995,556
Salarios & Jornales	538,851	543,638	523,624	529,374	529,374	529,374
Otros	152,963	205,045	207,262	209,513	211,802	211,802
<b>Total Gastos Corrientes</b>	<b>4,040,598</b>	<b>3,700,008</b>	<b>3,734,895</b>	<b>3,716,576</b>	<b>3,749,204</b>	<b>3,671,427</b>
Ingresos Netos	<b>825,349</b>	<b>794,203</b>	<b>823,142</b>	<b>822,195</b>	<b>840,048</b>	<b>848,439</b>
Obligaciones Contractuales	560,481	593,176	617,379	613,260	646,704	646,704
AELI y Otros	264,868	201,027	205,763	208,935	193,344	201,735
<b>Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Servicio a la Deuda	527,109	562,768	578,506	592,788	626,232	626,232
Cobertura	1.57	1.41	1.42	1.39	1.34	1.35

# FUENTES Y DISPOSICIÓN DE FONDOS DE OPERACIÓN Y CONSTRUCCIÓN 2013-2014

(MILLONES DE DÓLARES)



# TRUST vs. GAAP Año Fiscal 2013-14

(En Miles \$)

	1974 PER TRUST	Estado de Ingresos (GAAP)	Diferencia
Ingresos Operacionales	4,494,211	4,494,287	76
Gastos Corrientes			
Combustibles	2,145,911	2,145,911	0
Energía Comprada	805,414	805,414	0
Otros	748,683	748,683	0
Depreciación	0	374,064	374,064
OPEB	0	7,841	7,841
Total Gastos Corrientes	3,700,008	4,081,913	381,905
Ingresos Netos	794,203	412,374	(381,829)
Obligaciones Contractuales			
Fondos Internos	570,499	401,271	(169,228)
Capital Contribuido	22,677	0	(22,677)
Total Obligaciones Contractuales y Capital Contribuido	0	(24,185)	(24,185)
Ingresos Netos antes de Aportación en Lugar de Impuestos	593,176	377,086	(216,090)
AELI y Otros	201,027	35,288	(165,739)
Cambio en Activos Netos	0	201,027	0
	0	(165,739)	(165,739)



ESTADO LIBRE ASOCIADO DE PUERTO RICO  
**Autoridad de Energía Eléctrica de Puerto Rico**

Ing. Juan F. Alicea Flores  
Director Ejecutivo

16 de mayo de 2013

Junta de Gobierno

Juan F. Alicea Flores  
Director Ejecutivo

**Presupuesto Propuesto de Gastos Corrientes y Mejoras Capitales  
Año Fiscal 2013-14**

Incluimos el Presupuesto Propuesto, el mismo fue discutido en Reunión Especial el 14 de mayo de 2013.

Además, se incluyen las proyecciones de ingresos y gastos para los próximos cinco años, es decir hasta el 2018 y el borrador de Resolución.

Anejos

APARTADO 364267 SAN JUAN, PUERTO RICO 00936-4267 TELÉFONO: (787) 521-4666 TELEFAX: (787) 521-4665

"Somos un patrono con igualdad de oportunidades en el empleo y no discriminamos por razón de raza, color, sexo, edad, origen social o nacional, condición social, afiliación política, ideas políticas o religiosas; por ser víctima o ser percibida(o) como víctima de violencia doméstica, agresión sexual o acecho; por impedimento físico, mental o ambos o condición de veterano(a) o por información genética"

**INCOME STATEMENTS PER TRUST - PROJECTED**  
**FISCAL YEARS 2013-14 TO 2017-18**  
(\$ 000)

	Approved 2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Average Cost Per Barrel	\$116.25	\$94.96	\$94.41	\$88.57	\$87.15	\$80.91
Average Revenue per kWh (in cents):	\$27.11	24.52	24.78	24.40	24.30	23.51
Barrel Used (Thousands)	22,434.00	22,597	22,253	23,089	23,457	23,911
Generation (Million Kwh)	14,673.50	14,589.9	14,085.3	14,345.7	14,667.9	15,107.5
Purchase Power (GWHR)	7,154.00	7,708	8,033	8,069	8,101	8,099
Energy Sales (Million Kwh)	17,932.00	18,199.0	18,267.8	18,476.0	18,756.9	19,090.6
Change (%)	-0.05%	1.49%	0.38%	1.14%	1.52%	1.78%
Revenues						
Sales of electric energy						
Residential	1,731,015	1,642,922	1,663,817	1,655,368	1,675,579	1,649,208
Commercial	2,338,619	2,173,701	2,214,832	2,214,347	2,246,456	2,220,105
Industrial	628,460	498,880	499,847	490,555	489,373	475,477
Other	132,795	117,529	118,362	117,322	116,665	113,897
Increase in Sales / Reduction Energy Theft	30,000	30,000	30,000	30,000	30,000	30,000
Total	4,860,889	4,463,032	4,526,858	4,507,592	4,558,073	4,488,687
Other (principally interest)	5,058	31,179	31,179	31,179	31,179	31,179
Total	4,865,947	4,494,211	4,558,037	4,538,771	4,589,252	4,519,866
Current Expenses						
Fuel	2,607,917	2,145,911	2,100,801	2,044,913	2,044,304	1,934,695
Purchased power	740,867	805,414	903,208	932,776	963,724	995,556
Salaries	528,827	527,798	515,704	521,454	521,454	521,454
Wages	10,024	15,840	7,920	7,920	7,920	7,920
Materials and Supplies	11,872	35,467	36,176	36,900	37,638	37,638
Transportation	27,434	25,383	25,891	26,408	26,937	26,937
Per Diem and Traveling Expenses	4,400	6,672	6,672	6,672	6,672	6,672
Mileage and Stand By Expenses	1,968	2,737	2,737	2,737	2,737	2,737
Misc. Division Expenses	12,834	31,684	32,318	32,964	33,623	33,623
Corporate Expenses	94,455	103,102	103,468	103,832	104,195	104,195
Total	4,040,598	3,700,008	3,734,895	3,716,576	3,749,204	3,671,427
Net revenues	825,349	794,203	823,142	822,195	840,048	848,439
Debt Service (Exhibit A)						
1974 Sinking Fund	527,109	562,768	578,506	592,788	626,232	626,232
Reserve Maintenance	0	0	0	0	0	0
Self Insurance Fund	0	0	0	0	0	0
Interest on Notes	6,372	7,731	7,552	7,552	7,552	7,552
Capital Improvement Fund	27,000	22,677	31,321	12,920	12,920	12,920
Total	560,481	593,176	617,379	613,260	646,704	646,704
Balance	264,868	201,027	205,763	208,935	193,344	201,735
Contribution in lieu of taxes and other (Exhibit B)	264,868	201,027	205,763	208,935	193,344	201,735
Balance	0	0	0	0	0	0
Debt service	527,109	562,768	578,506	592,788	626,232	626,232
Coverage	1.57	1.41	1.42	1.39	1.34	1.35
Highest debt service	594,844	594,844	636,906	636,906	681,899	681,899
Coverage	1.39	1.34	1.29	1.29	1.23	1.24

**PUERTO RICO ELECTRIC POWER AUTHORITY**

**DEBT SERVICE**

**FISCAL YEARS 2013-14 TO 2017-18**

( \$ 000 )

	<b>Approved 2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
1974 SINKING FUND						
INTEREST	332,189	358,463	364,096	368,753	388,867	376,697
PRINCIPAL	194,920	204,305	214,410	224,035	237,365	249,535
RESERVE						
SUB-TOTAL	527,109	562,768	578,506	592,788	626,232	626,232
SELF INSURANCE FUND	0	0	0	0	0	0
INTEREST ON NOTES	6,372	7,731	7,552	7,552	7,552	7,552
CAPITAL IMPROVEMENT FUNDS	27,000	22,677	31,321	12,920	12,920	12,920
TOTAL	560,481	593,176	617,379	613,260	646,704	646,704
RESERVE MAINTENANCE FUND	0	0	0	0	0	0
TOTAL DEBT SERVICE	<b>560,481</b>	<b>593,176</b>	<b>617,379</b>	<b>613,260</b>	<b>646,704</b>	<b>646,704</b>

**CONTRIBUTION IN LIEU OF TAXES AND OTHER**

**FISCAL YEARS 2013-14 TO 2017-18**

**( \$ 000 )**

DESCRIPTION	Approved 2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
MUNICIPALITIES	229,560	213,703	217,815	219,375	200,438	205,610
IMPLANTACIÓN LEY 233		(49,000)	(49,000)	(49,000)	(49,000)	(49,000)
HOTELS SUBSIDY	7,719	7,949	8,099	8,098	8,215	8,119
LEY 73 INCENTIVOS INDUSTRIALES		2,203	2,937	3,671	6,425	9,179
SUBSIDIES:						
IRRIGATION SYSTEMS	7,611	5,357	5,464	5,573	5,685	5,799
RESIDENTIAL CUSTOMERS	19,978	20,815	20,448	21,218	21,581	22,028
TOTAL	<u>264,868</u>	<u>201,027</u>	<u>205,763</u>	<u>208,935</u>	<u>193,344</u>	<u>201,735</u>

**Exhibit 28 Page 75 of 75**

PUERTO RICO ELECTRIC POWER AUTHORITY

**CAPITAL IMPROVEMENT PROGRAM****FISCAL YEARS 2013-14 TO 2017-18**

(\$ 000)

CWIP	Approved 2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	Total
PRODUCTION	118,898	96,375	115,850	110,365	128,502	124,650	575,742
TRANSMISSION	58,965	66,347	61,262	66,859	62,613	72,391	329,472
DISTRIBUTION	91,097	99,884	87,532	88,836	96,112	92,774	465,138
OTHER	31,040	37,394	35,356	33,940	37,773	35,185	179,648
<b>TOTAL</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>325,000</b>	<b>325,000</b>	<b>1,550,000</b>
<b>FINANCING</b>							
SURETY POLICY							
INTERNAL FUNDS							
BORROWINGS:							
INTERIM	27,000	22,677	31,321	12,920	12,920	12,920	92,758
PERMANENT - REGULAR							
CAPITALIZED INTEREST	250,000	0	250,000	0	250,000	0	750,000
INTEREST INCOME	0	278,200	0	315,500	0	0	593,700
AMOUNTS PROVIDED FROM (USED FOR) UNEXP. FINANCING OR OTHER FUNDS	0	0	0	0	0	0	0
TOTAL	273,000	27,323	(9,521)	37,080	(3,420)	62,080	113,542
<b>PROJECTED BOND ISSUES</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>325,000</b>	<b>325,000</b>	<b>0</b>
INTERNAL FINANCING PERCENTAGE	4%	9%	8%	10%	4%	4%	
Recommended by Consulting Engineers	12%	9%	4%	4%	4%	6%	